



RISK MANAGEMENT

INSURANCE ENDORSEMENT REQUIREMENTS & PROCEDURES

I. PURPOSE

The purpose document is to outline the District's insurance requirements and procedures of the Risk Management Program for handling Insurance Endorsements.

II. INTRODUCTION

An Insurance Endorsement is an indicator of adequate insurance coverage in force to protect the interests of the District and other parties when necessary. The Endorsement properly *changes or modifies* the policy to include the additional insured party and is issued:

- A. To the District by insurance carriers and/or self-insurance administrators underwriting risks incurred by independent contractors performing construction or any type of work or activity under a service agreement or any other contract or P.O. entered into by the District.

III. REQUIREMENTS – INSURANCE ENDORSEMENTS ISSUED TO THE DISTRICT

Independent contractors or consultants performing work under contract or providing other services to the District must be required to defend and hold the District harmless from any loss, injury, or damage occurring during the performance of the work and to indemnify the District for any loss they suffer as a result of the negligence of the contractor, consultant, affiliate or service provider including the employees, agents, and sub-contractors of each.

Under the terms and conditions of a contract or agreement for services, the contractor, consultant, vendor and/or others must be required to furnish the District an Insurance Endorsement indicating compliance with all requirements.

1. All Endorsements to the insurance policy issued to the District must:
 - a. Provide for thirty (30) days advance written notice to the District any modification, change, or cancellation of any of the insurance coverages.

- b. Except for Professional Liability and Workers' Compensation Insurance, Santa Monica Community College District is named as additional insured. Such provision shall apply in proportion to and to the extent of the negligent acts or omissions of the non-District party or any person or persons under the non-District parties' direct supervision and control.
 - c. Professional Liability include endorsements to the insurance policies for Contractual Liability Coverage and Defense and Indemnification of the District by the contracting party.
2. The following are the recommended minimum limits for independent contracts, consultants and purchase orders. Exceptions to the insurance limit requirements outlined in this section may be developed by the Risk Management Department, in conjunction with Senior Administrators, following risk identification and evaluation. In such situations, it may be determined that little or no risk is involved in which case the limits may be lowered or the requirement eliminated. Conversely, it may be determined that additional risk is involved in which case the limits may be raised.

COVERAGE LIMITS FOR REQUIRED INSURANCE COVERAGE

This table describes the minimum liability insurance limits the District should require from all contractors, suppliers and tenants. The required limits should be sufficient to adequately protect the public and the District. Aggregate limits shall be doubled.

COVERAGE REQUIREMENTS – MINIMUM LIMITS

Type of Exposure		Recommended Coverage	Recommended Minimum Liability Limit**
I.	CONTRACTS		
	Construction	BAL, CGL, CL, PRL, WC	\$2,000,000
II.	SERVICE CONTRACTS		
	a. Equipment Rental	BAL, CGL, CL, WC	1,000,000
	b. Janitorial	CGL, CL, WC	1,000,000
	c. Movers	BAL, CGL, CL, WC	1,000,000
	d. Tow service	BAL, CGL, CL, WC	1,000,000
	e. Tree maintenance	BAL, CGL, CL, WC	1,000,000
	f. Welding service	CGL, CL, PRL, WC	2,000,000
	g. Architects/Engineers/Consultants	CGL, CL, PL, WC	2,000,000
III.	CONCESSIONAIRES & VENDORS		
	a. Food & beverage-no liquor	CGL, CL, PRL	1,000,000
	b. Food & beverage-including liquor	CGL, CL, PRL, LL	2,000,000
	c. Boats	CGL, CL, PRL, WL	1,000,000
	d. Fireworks exhibits	CGL, CL, PRL	2,000,000

	e.	Gift shops	CGL, CL	1,000,000
	f.	Parking	BAL, CGL, CL, PRL, CL, GKLL	1,000,000 Depends on number & value of autos
	g.	Office space	CGL, CL	1,000,000

COVERAGE REQUIREMENTS – MINIMUM LIMITS (continued)

Type of Exposure		Recommended Coverage	Recommended Minimum Liability Limit**	
IV	COMMUNITY ORGANIZATIONS			
	a.	Alcoholism programs	BAL, CGL, CL, PL	\$1,000,000
	b.	Child care center	BAL, CGL, CL, PL	1,000,000
	c.	Rehabilitation programs	BAL, CGL, CL, PL	1,000,000
V.	INDIVIDUALS, GROUPS & ORGANIZATIONS			
	a.	Club functions	CGL, CL, LL, PRL	1,000,000
	b.	Weddings	CGL, CL, LL, PRL	1,000,000
	c.	Dances	CGL, CL, LL, PRL	1,000,000
	d.	Camping	CGL, CL	1,000,000
	e.	Picnics/potluck	CGL, CL, LL, PRL	1,000,000
	f.	Animal shows	CGL, CL	1,000,000
	g.	Recreational activities		1,000,000
		1. Baseball	CGL, CL	1,000,000
		2. Football	CGL, CL	1,000,000
		3. Swimming	CGL, CL	1,000,000

* Abbreviations used are as follows:

- AL - Aircraft Liability
- BAL - Business Automobile Liability
- CL - Contractual Liability
- CGL - Comprehensive General Liability
- GKLL - Garagekeeper's Legal Liability
- HK - Hangarkeeper's Legal Liability
- LL - Liquor Liability
- PL - Professional Liability
- PRL - Product Liability
- WL - Watercraft Liability
- WC - Workers' Compensation

****The District must be flexible when requiring a liability limit. Instances may arise where it may be appropriate to request limits lower or higher than outlined in this guideline. Therefore, Risk Management must be consulted to ensure appropriate limits have been established.**

IV. PROCEDURAL RESPONSIBILITIES

A. Purchasing Department

If the vendor is being acquired through the Purchasing Department, and it is evident that the vendor will be performing some service with a substantial inherent risk of bodily injury and/or property damage or loss, then the Purchasing Department must contact Risk Management by fax or e-mail with all the pertinent information so that insurance endorsements can be obtained expeditiously. Failure to follow this procedure could delay payment (s) to the vendor until all insurance requirements have been met.

B. Departments

If the vendor is being acquired directly by the department, and it is evident that the vendor will be performing some service with a substantial inherent risk of bodily injury and/or property damage or loss, then that department must contact Risk Management by fax or e-mail with all the pertinent information so that insurance endorsements can be obtained expeditiously. Failure to follow this procedure could delay payment (s) to the vendor until all insurance requirements have been met.

C. Risk Management

Upon proper notification by the Purchasing Department or the contracting department, Risk Management will review the scope of the services to be rendered for liability limits and contact the vendor for endorsements. Risk Management will contact Accounts Payable via fax or e-mail, for notification that a vendor has been "**Flagged**" - meaning payments shall not be released until all insurance requirements have been met. Once requirements have been met, Accounts Payable will be notified by Risk Management via e-mail or fax.

D. Accounts Payable

Shall release payments to "**Flagged**" vendor, only upon notification from Risk Management that all of the insurance requirements have been met.

V. REQUEST FOR CERTIFICATES OF INSURANCE (COI)

College departments requiring evidence of insurance or additional covered party endorsements for an activity or event must complete a **SWACC Request for Certificate of Insurance form**. Return the form to Risk Management with a copy of the Agreement which includes insurance requirements if the certificate holder requests to be endorsed as "Additional Insured" on the COI. For additional information, see COI Procedures or contact Risk Management at (310)434-4102 for assistance.